

Federal Compliance Audit

Regional School Unit No. 13

June 30, 2013



Proven Expertise and Integrity

REGIONAL SCHOOL UNIT NO. 13

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JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Regional School Unit No. 13
Rockland, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 13, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Unit's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 13 as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and budgetary comparison information on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 13's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013, on our consideration of Regional School Unit No. 13's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in considering the Regional School Unit No. 13's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
December 4, 2013

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

(UNAUDITED)

The following management's discussion and analysis of Regional School Unit No. 13's financial performance provides an overview of the Unit's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the Unit's financial statements.

Financial Statement Overview

Regional School Unit No. 13's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Unit's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Unit's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have one column for the Unit's activities. The type of activity presented for the Unit is:

- *Governmental activities* – The activities in this section are mostly supported by support from the Units and intergovernmental revenues (federal and state grants). Most of the Unit's basic services are reported in governmental activities, which include instruction, instructional support, administration, operations and transportation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Unit, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Unit can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: Most of the basic services provided by the Unit are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Unit's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Unit.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Unit presents two columns in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Unit's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Unit legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Unit. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Unit's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Fiduciary Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Unit's governmental activities. The Unit's total net position for governmental activities decreased by \$953,052 to a balance of \$12.92 million at year end.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - for the governmental activities decreased to a deficit balance of \$1,329,025 at the end of the fiscal year.

Table 1
Regional School Unit No. 13
Net Position
June 30,

	2013	2012 (Restated)
Assets:		
Current and Other Assets	\$ 3,857,680	\$ 4,243,134
Capital Assets	15,963,122	16,343,500
Total Assets	19,820,802	20,586,634
Liabilities:		
Current Liabilities	2,735,407	2,470,180
Long-term Debt Outstanding	4,163,198	4,241,205
Total Liabilities	6,898,605	6,711,385
Net Position:		
Invested in Capital Assets,		
Net of Related Debt	11,531,360	11,908,064
Restricted : Special revenue funds	104,869	122,839
Capital project funds	435,661	-
Permanent funds	2,179,332	2,179,942
Unrestricted (deficit)	(1,329,025)	(335,596)
Total Net Position	\$ 12,922,197	\$ 13,875,249

Table 2
Regional School Unit No. 13
Change in Net Position
For The Years Ended June 30,

	2013	2012 (Restated)
Revenues:		
<i>Program Revenues:</i>		
Charges for services	\$ 39,843	\$ 138,543
Operating grants & contributions	4,149,570	4,996,226
<i>General Revenues:</i>		
Support from towns	22,345,696	21,533,985
Grants & contributions not restricted to specific programs	3,204,903	3,820,608
Miscellaneous	538,479	829,331
Total Revenues	30,278,491	31,318,693
Expenses:		
Instruction	11,072,119	10,472,926
Special education	4,140,215	4,007,230
Career & technical	932,004	905,254
Other instructional	542,096	538,274
Student & staff support	2,557,774	2,569,689
System administration	580,776	536,176
School administration	1,486,956	1,563,516
Transportation	1,163,785	1,452,958
Facilities	3,600,289	3,547,940
Interest on long term debt	191,464	217,353
Change in accrued summer salaries	(200,000)	252,310
State of Maine on - behalf payments	1,863,163	1,853,557
Program expenses	3,300,902	3,626,195
Total Expenses	31,231,543	31,543,378
Change in Net Position	(953,052)	(224,685)
Net Position - July 1	13,875,249	14,099,934
Net Position - June 30	<u>\$ 12,922,197</u>	<u>\$ 13,875,249</u>

Revenues and Expenses

Revenues for the Unit's governmental activities decreased by 3.32%, while total expenses decreased by 0.99%. Most of the Unit's revenues and expenses were consistent with the previous year with minor increases or decreases.

Financial Analysis of the Unit's Fund Statements

Governmental funds: The financial reporting focus of the Unit's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Unit's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Regional School Unit No. 13
Fund Balances - Governmental Funds
June 30,

	2013	2012 (Restated)
Major Funds:		
General Fund:		
Nonspendable	\$ 116,466	\$ 119,589
Committed	938,000	610,102
Assigned	319,147	-
Unassigned	(166,403)	1,023,588
Total Major Funds	\$ 1,207,210	\$ 1,753,279
Nonmajor Funds:		
Special revenue funds:		
Nonspendable	\$ 11,419	\$ 11,987
Restricted	104,869	122,839
Committed	210,024	213,536
Assigned	49,404	24,645
Unassigned	(573,173)	(293,127)
Capital project funds:		
Restricted	435,661	-
Permanent funds:		
Restricted	2,179,332	2,179,942
Total Nonmajor Funds	\$ 2,417,536	\$ 2,259,822

The general fund total fund balance decreased by \$546,069 from the prior fiscal year. The non-major fund balances increased by \$157,714 from the prior fiscal year.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues were under budget by \$115,932.

The general fund actual expenditures were under budget by \$279,965.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2013, the net book value of capital assets recorded by the Unit decreased by \$380,378 from the prior fiscal year. The decrease was due to current year depreciation of \$740,062 less capital additions of \$359,684.

Table 4
Regional School Unit No. 13
Capital Assets (Net of Depreciation)
June 30,

	<u>2013</u>	<u>2012</u>
Land	\$ 211,479	\$ 211,479
Art work	67,000	67,000
Construction in progress	30,000	-
Land improvements	380,285	436,535
Buildings	13,412,595	13,841,112
Machinery & equipment	1,399,524	1,507,144
Vehicles	<u>462,239</u>	<u>280,230</u>
Total	<u>\$ 15,963,122</u>	<u>\$ 16,343,500</u>

Debt

At June 30, 2013, the Unit had an obligation to pay for \$3.84 million in bonds outstanding versus \$3.94 million last year. Other obligations include capital leases payable and accrued sick and vacation time. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The FY 2014 budget could be impacted by reductions in state subsidy as a result of reduced state revenue projections. Curtailments in the state's biennial budget may serve to increase required local contributions and/or reductions in Unit spending.

Contacting the Unit's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Unit's finances and to show the Unit's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Unit's Finance Department at 28 Lincoln Street, Rockland, Maine 04841.

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,636,658
Investments	1,801,404
Accounts receivable (net of allowance for uncollectibles)	47,035
Due from other governments	243,533
Inventory	11,419
Accrued interest	1,165
Prepaid expenses	116,466
Total current assets	<u>3,857,680</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	308,479
Depreciable assets, net of accumulated depreciation	<u>15,654,643</u>
Total noncurrent assets	<u>15,963,122</u>
TOTAL ASSETS	<u><u>\$ 19,820,802</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 62,768
Accrued payroll	1,677,111
Due to other governments	170,166
Current portion of long-term obligations	825,362
Total current liabilities	<u>2,735,407</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Obligation for bonds payable	3,247,500
Capital leases payable	358,900
Accrued compensated absences	556,798
Total noncurrent liabilities	<u>4,163,198</u>
TOTAL LIABILITIES	<u>6,898,605</u>
NET POSITION	
Invested in capital assets, net of related debt	11,531,360
Restricted: Special revenue funds	104,869
Capital project funds	435,661
Permanent funds	2,179,332
Unrestricted (deficit)	<u>(1,329,025)</u>
TOTAL NET POSITION	<u>12,922,197</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 19,820,802</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 11,072,119	\$ 39,843	\$ -	\$ -	\$ (11,032,276)
Special education	4,140,215	-	-	-	(4,140,215)
Career & technical	932,004	-	-	-	(932,004)
Other instructional	542,096	-	-	-	(542,096)
Student & staff support	2,557,774	-	-	-	(2,557,774)
System administration	580,776	-	-	-	(580,776)
School administration	1,486,956	-	-	-	(1,486,956)
Transportation	1,163,785	-	-	-	(1,163,785)
Facilities	3,600,289	-	-	-	(3,600,289)
Interest on long term debt	191,464	-	-	-	(191,464)
Change in accrued summer salaries	(200,000)	-	-	-	200,000
State of Maine on - behalf payments	1,863,163	-	1,863,163	-	-
Program expenses	3,300,902	-	2,286,407	-	(1,014,495)
Total government	<u>\$ 31,231,543</u>	<u>\$ 39,843</u>	<u>\$ 4,149,570</u>	<u>\$ -</u>	<u>\$ (27,042,130)</u>

STATEMENT B (CONTINUED)

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(27,042,130)</u>
General revenues:	
Support from towns	22,345,696
Grants and contributions not restricted to specific programs	3,204,903
Miscellaneous	<u>538,479</u>
Total general revenues	<u>26,089,078</u>
Change in net position	(953,052)
NET POSITION - JULY 1, RESTATED	<u>13,875,249</u>
NET POSITION - JUNE 30	<u><u>\$ 12,922,197</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Other Governmental Funds	Totals Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,259,895	\$ 376,763	\$ 1,636,658
Investments	-	1,801,404	1,801,404
Accounts receivable (net of allowance for uncollectibles)	13,998	33,037	47,035
Due from other governments	70,320	173,213	243,533
Inventory	-	11,419	11,419
Prepaid expenses	116,466	-	116,466
Accrued interest	-	1,165	1,165
Due from other funds	761,896	790,077	1,551,973
TOTAL ASSETS	<u>\$ 2,222,575</u>	<u>\$ 3,187,078</u>	<u>\$ 5,409,653</u>
LIABILITIES			
Accounts payable	\$ 55,122	\$ 7,646	\$ 62,768
Accrued payroll	-	-	-
Other payables	-	-	-
Due to other governments	170,166	-	170,166
Due to other funds	790,077	761,896	1,551,973
TOTAL LIABILITIES	<u>1,015,365</u>	<u>769,542</u>	<u>1,784,907</u>
FUND BALANCES			
Nonspendable	116,466	11,419	127,885
Restricted	-	2,719,862	2,719,862
Committed	938,000	210,024	1,148,024
Assigned	319,147	49,404	368,551
Unassigned	(166,403)	(573,173)	(739,576)
TOTAL FUND BALANCES	<u>1,207,210</u>	<u>2,417,536</u>	<u>3,624,746</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,222,575</u>	<u>\$ 3,187,078</u>	<u>\$ 5,409,653</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 3,624,746
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	15,963,122
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Accrued teacher pay (Note 14)	(1,677,111)
Bonds payable	(3,842,250)
Capital leases payable	(589,512)
Accrued compensated absences	<u>(556,798)</u>
Net position of governmental activities	<u><u>\$ 12,922,197</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Support from towns	\$ 22,345,696	\$ -	\$ 22,345,696
Intergovernmental revenues	5,068,066	2,286,407	7,354,473
Charges for services	39,843	-	39,843
Miscellaneous	46,224	492,255	538,479
TOTAL REVENUES	27,499,829	2,778,662	30,278,491
EXPENDITURES			
Current:			
Instruction	10,520,357	-	10,520,357
Special education	4,140,215	-	4,140,215
Career & technical	932,004	-	932,004
Other instructional	542,096	-	542,096
Student & staff support	2,557,774	-	2,557,774
System administration	579,676	-	579,676
School administration	1,486,956	-	1,486,956
Transportation	1,353,166	-	1,353,166
Facilities	3,404,277	-	3,404,277
Change in accrued summer salaries	(200,000)	-	(200,000)
State of Maine on - behalf payments	1,863,163	-	1,863,163
Program expenses	-	3,200,948	3,200,948
Debt service:			
Principal	594,750	-	594,750
Interest	191,464	-	191,464
TOTAL EXPENDITURES	27,965,898	3,200,948	31,166,846
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(466,069)	(422,286)	(888,355)
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	500,000	500,000
Operating transfers in	-	80,000	80,000
Operating transfers (out)	(80,000)	-	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	(80,000)	580,000	500,000
NET CHANGE IN FUND BALANCES	(546,069)	157,714	(388,355)
FUND BALANCES - JULY 1	1,753,279	2,259,822	4,013,101
FUND BALANCES - JUNE 30	\$ 1,207,210	\$ 2,417,536	\$ 3,624,746

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (388,355)</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset additions	359,684
Depreciation expense	<u>(740,062)</u>
	<u>(380,378)</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position</p>	
	<u>833,358</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets</p>	
	<u>(829,684)</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:</p>	
Accrued summer teacher pay	<u>(220,267)</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>	
Accrued compensated absences	<u>32,274</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (953,052)</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency Funds</u>
	<u>Student Activities</u>
ASSETS	
Cash and cash equivalents	<u>\$ 102,376</u>
TOTAL ASSETS	<u><u>\$ 102,376</u></u>
LIABILITIES	
Deposits held for others	<u>\$ 102,376</u>
TOTAL LIABILITIES	<u><u>\$ 102,376</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Unit was incorporated under the laws of the State of Maine as of July 1, 2009. The Unit was formed through the merger of Maine School Administrative District No. 5 and Maine School Administrative District No. 50. The Unit provides education services.

The Unit's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Unit's combined financial statements include all accounts and all operations of the Unit. We have determined that the Unit has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

Government –Wide and Fund Financial Statements

The Unit's basic financial statements include both government-wide (reporting the Unit as a whole) and fund financial statements (reporting the Unit's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. All activities of the Unit are categorized as governmental.

In the government-wide Statement of Net Position, the governmental column is (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Unit's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Unit first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Unit's functions (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Unit does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Unit as an entity and the change in the Unit's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Unit are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Unit:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Unit:

- a. The General Fund is the general operating fund of the Unit. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- d. Permanent Funds are used to account for assets held by the Unit that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Unit or its citizenry. The Unit's policy for authorizing and spending investment income follows State statutes.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Unit programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The Unit's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Unit's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

Revenues per budgetary basis	\$ 25,636,666
Add: On-behalf payments	<u>1,863,163</u>
Total GAAP basis	<u>\$ 27,499,829</u>
Expenditures per budgetary basis	\$ 26,182,735
Add: On-behalf basis	<u>1,863,163</u>
Total GAAP basis	<u>\$ 28,045,898</u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the first half of the year the Unit prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Unit was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Unit.

REGIONAL SCHOOL UNIT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. The Unit does not adopt budgets for Special Revenue Funds.

Deposits and Investments

The Unit's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Unit's policy to value investments at fair value. None of the Unit's investments are reported at amortized cost. The Unit Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Unit has no formal investment policy but instead follows the State of Maine Statutes.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet, with the exception of school lunch supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2013.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Unit. The Unit has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of obligations to pay bonds payable, capital leases and compensated absences.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Unit's policies regarding vacation and sick time do not permit employees to accumulate earned but unused vacation and sick leave. However, the Unit allows certain employees to accumulate unused sick time. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Unit is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Unit. The inhabitants of the Unit through District meetings are the highest level of decision-making authority of the Unit. Commitments may be established, modified, or rescinded only through a District meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board Directors.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Unit considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Unit considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Unit meeting vote has provided otherwise in its commitment or assignment actions.

The Unit is in the process of updating a set of financial policies to guide the financial operation of the Unit. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Unit does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Unit's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Unit's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Unit funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Unit will not be able to recover its deposits. The Unit does not have a policy covering custodial credit risk for deposits. However, the Unit maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2013, the Unit's deposits and cash equivalents amounting to \$1,739,034 were comprised of bank deposits and cash equivalents of \$2,372,143. Of these bank deposits and cash equivalents, \$689,021 was insured by federal depository insurance and consequently was not exposed to custodial credit risk. \$1,626,547 of bank deposits was collateralized with securities held by the financial institution in the Unit's name. Cash equivalents of \$31,338 were covered by the Securities Investor Protection Corporation (SIPC). The remaining cash equivalents of \$25,237 were uncollateralized and uninsured.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 250,000
NOW accounts	114,927
Repurchase agreements	1,626,547
Savings accounts	182,293
Cash equivalents	198,376
	<u>\$ 2,372,143</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Unit will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Unit does not have a policy for custodial credit risk for investments.

At June 30, 2013, the Unit's certificates of deposit of \$114,662 were fully insured by federal depository insurance. The Unit's remaining investments of \$968,662 were covered by the Securities Investor Protection Corporation (SIPC) and the remaining investments of \$718,080 were not insured or collateralized.

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>
US gov't agency bonds	\$ 88,277	\$ -	\$ 40,287	\$ 47,990
Corporate bonds	656,474	-	-	656,474
Mutual funds - equity	298,705	298,705	-	-
Mutual funds - fixed income	643,286	643,286	-	-
Certificates of deposit	114,662	-	73,186	41,476
	<u>\$ 1,801,404</u>	<u>\$ 941,991</u>	<u>\$ 113,473</u>	<u>\$ 745,941</u>

Credit risk – Statutes for the State of Maine authorize the Unit to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Unit does not have an investment policy on credit risk. Generally, the Unit invests

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Unit does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2013 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General Fund	\$ 761,896	\$ 790,077
Non-major Special Revenue Funds	354,416	761,896
Non-major Capital Project Funds	435,661	-
	<u>\$ 1,551,973</u>	<u>\$ 1,551,973</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2013:

	Balance, 7/1/12	Additions	Deletions	Balance, 6/30/13
Non-depreciated assets:				
Land	\$ 211,479	\$ -	\$ -	\$ 211,479
Art work	67,000	-	-	67,000
Construction in progress	-	30,000	-	30,000
	<u>278,479</u>	<u>30,000</u>	<u>-</u>	<u>308,479</u>
Depreciated assets:				
Land improvements	1,252,353	-	-	1,252,353
Buildings	21,350,860	-	-	21,350,860
Machinery & equipment	3,732,895	85,670	-	3,818,565
Vehicles	1,678,627	244,014	-	1,922,641
	<u>28,014,735</u>	<u>329,684</u>	<u>-</u>	<u>28,344,419</u>
Less: accumulated depreciation	<u>(11,949,714)</u>	<u>(740,062)</u>	<u>-</u>	<u>(12,689,776)</u>
	<u>16,065,021</u>	<u>(410,378)</u>	<u>-</u>	<u>15,654,643</u>
Net capital assets	<u>\$ 16,343,500</u>	<u>\$ (380,378)</u>	<u>\$ -</u>	<u>\$ 15,963,122</u>

Current Year Depreciation

Regular education	\$ 479,439
Maintenance and operations	196,012
Transportation	54,633
Administration	1,100
School lunch	<u>8,878</u>
Total depreciation expense	<u>\$ 740,062</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - LONG-TERM DEBT

The General Fund of the Unit is used to pay for all long-term debt. A summary of long-term debt is as follows:

	Balance, 7/1/12	Additions	Reductions	Balance, 6/30/13	Due Within One Year
Bonds payable	\$ 3,937,000	\$ 500,000	\$ (594,750)	\$ 3,842,250	\$ 594,750
Capital leases payable	498,436	329,684	(238,608)	589,512	230,612
Accrued compensated absences	589,072	-	(32,274)	556,798	-
Totals	<u>\$ 5,021,130</u>	<u>\$ 829,684</u>	<u>\$ (865,632)</u>	<u>\$ 4,988,560</u>	<u>\$ 825,362</u>

The following is a summary of bonds and notes outstanding as of June 30, 2013:

\$2,760,000, 1997 General Obligation bond due in annual principal installments of \$138,000 through November 2017. The interest rate varies from 5.276% to 5.776% per annum.	\$ 690,000
\$1,582,500, 1999 General Obligation bond due in annual principal installments of \$105,500 through November 2014. The interest rate varies from 4.039% to 5.239% per annum.	211,000
\$2,225,000, 2002 General Obligation bond due in annual principal installments of \$111,250 through November 2021. The interest rate varies from 3.048% to 5.423% per annum.	1,001,250
\$4,800,000, 1998 General Obligation bond due in annual principal installments of \$240,000 through November 2018. The interest rate varies from 4.528% to 5.378% per annum.	1,440,000
\$500,000, 2013 General Obligation bond due in annual principal installments of \$50,000 through November 2023. The interest rate varies from 0.600% to 2.380% per annum.	<u>500,000</u>
Total bonds payable	<u><u>\$ 3,842,250</u></u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2014	\$ 594,750	\$ 171,281	\$ 766,031
2015	644,750	140,285	785,035
2016	539,250	110,654	649,904
2017	539,250	83,330	622,580
2018	539,250	103,061	642,311
2019-2023	935,000	24,799	959,799
2024-2028	50,000	595	50,595
	<u>\$ 3,842,250</u>	<u>\$ 634,005</u>	<u>\$ 4,476,255</u>

A summary of the outstanding capital leases payable is as follows:

The Unit leases computers, photocopiers, and a bus under non-cancelable lease agreements. These leases have given rise to property rights and qualify as a capital lease for accounting purposes. Payment obligations for these capital leases have been satisfied as of year end.

The future minimum lease obligations of the remaining leases, and the net present value of these minimum lease payments for the next five years ending June 30, are as follows:

Year Ending June 30:	
2014	\$ 249,769
2015	159,605
2016	159,605
2017	59,737
2018	-
	<u>\$ 628,716</u>
Less: amount representing interest	<u>(39,204)</u>
Present value of minimum lease payments	<u>\$ 589,512</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2013, the Unit had the following nonspendable fund balances:

General fund:	
Prepaid Expenses	\$ 116,466
Special Revenue Funds (Schedule C)	<u>11,419</u>
	<u>\$ 127,885</u>

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2013, the Unit had the following restricted fund balances:

Special Revenue Funds (Schedule C)	\$ 104,869
Capital Project Funds (Schedule E)	435,661
Permanent Funds (Schedule G)	<u>2,179,332</u>
	<u>\$ 2,719,862</u>

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2013, the Unit had the following committed fund balances:

General fund:	
Reserved for FY 2014 Budget	\$ 938,000
Special Revenue Funds (Schedule C)	<u>210,024</u>
	<u>\$ 1,148,024</u>

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2013, the Unit had the following assigned fund balances:

General fund:	
Food service deficit	\$ 319,147
Special Revenue Funds (Schedule C)	<u>49,404</u>
	<u>\$ 368,551</u>

NOTE 10 - RISK MANAGEMENT

The Unit is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Unit carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine School Management Association.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - RISK MANAGEMENT (CONTINUED)

Based on the coverage provided by the insurance purchased, the Unit is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2013. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (Maine PERS) teacher retirement program. The teacher's program is a cost-sharing plan with a special funding situation, established by the Maine State Legislature. The program requires that both employees and the Department contribute, and provides retirement, disability and death benefits. Employees are eligible for normal retirement upon attaining the age of 60, provided they have 25 years of credible service. Employees are penalized 2.5% for each year of early retirement. The authority to establish and amend benefit provisions rests with the State Legislature. The funding status and progress for the teacher retirement program may be obtained by contacting the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling (800) 451-9800.

B. Funding Policy

Program members are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for employees covered by this program was approximately \$13,010,915 for the year ended June 30, 2013. The State of Maine is required to contribute the employer contribution which amounts to 14.32% of compensation. Contributions paid by the State were approximately \$1,863,163 for the year ended June 30, 2013. There is no contribution required by the Unit, except for federally funded teachers. The Unit's contributions to the plan for 2013, 2012, and 2011 were \$97,120, \$86,198 and \$126,936 respectively.

NOTE 12 - DEFERRED COMPENSATION PLAN

The Unit offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all Unit employees as part of a collective bargaining agreement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 - DEFERRED COMPENSATION PLAN (CONTINUED)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Unit's management that the Unit has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 13 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2013:

Regular Instruction (Article 1)	\$	65,662
System Administration (Article 6)		1,389
Transportation (Article 8)		10,584
	\$	<u>77,635</u>

NOTE 14 – CONTINGENCIES / COMMITMENTS

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Unit's financial position.

The Unit participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Unit's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

The Unit currently has a construction project in progress to make roof replacements and miscellaneous repairs at various district locations for which it has issued a general obligation bond for \$500,000. The total project cost is not anticipated to exceed \$500,000 with project completion expected in the next fiscal year.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 - ACCRUED SUMMER TEACHER PAY

The total amount of the accrual of \$1,677,111 has been recorded as a liability in the full accrual financial statements. If the full amount of this liability had been recorded in the modified accrual financial statements, the fund balance would have been decreased to a deficit balance of \$469,901.

NOTE 16 - DEFICIT FUND BALANCES

As of June 30, 2013, the following funds had deficit fund balances:

Non-major Funds:

Vanguard Group Annuity	\$	719
Mid-Coast Reading Recovery		265
Maine State Prison Tech Grant		225
Dunkin Donuts Grant		1,649
College Transitions Book Sale		252
Dental Health		98
Title IA Disadvantage		34,281
Title IA Program Improvement		93,236
Local Entitlement		62,889
21st Century Grant		776
Title VI Rural Low Income		18,793
Title IIA		6,822
Les Richards Scholarship		729
Education Jobs Fund		16,902
Adult Education		4,971
Food Service		319,147
	\$	<u>561,754</u>

NOTE 17- RESTATEMENT

As of July 1, 2012, a restatement was made to the governmental net position in the net amount of \$211,994. A restatement was also made to the nonmajor funds fund balance in the amount of \$215,372 and to the capital leases payable in the amount of (\$3,378). All of these restatements were done to correct errors in prior years reporting.

REGIONAL SCHOOL UNIT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 18 - RELATED PARTY TRANSACTIONS

An employee of the Regional School Unit No. 13 was hired to provide mowing services to the Unit. During fiscal year 2013, payments for these services totaled \$21,597.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund

REGIONAL SCHOOL UNIT NO. 13

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary fund balance, July 1	\$ 1,753,279	\$ 1,753,279	\$ 1,753,279	\$ -
Resources (inflows):				
Support from towns	22,345,692	22,345,692	22,345,696	4
Intergovernmental revenues:				
State subsidy	3,208,906	3,208,906	3,085,119	(123,787)
State agency client	40,000	40,000	17,329	(22,671)
Other	44,000	44,000	102,455	58,455
Charges for services	17,000	17,000	39,843	22,843
Interest income	12,000	12,000	8,477	(3,523)
Miscellaneous revenues	85,000	85,000	37,747	(47,253)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>27,505,877</u>	<u>27,505,877</u>	<u>27,389,945</u>	<u>(115,932)</u>
Charges to appropriations (outflows):				
Instruction	10,454,695	10,454,695	10,520,357	(65,662)
Special education	4,170,124	4,170,124	4,140,215	29,909
Career & technical	932,004	932,004	932,004	-
Other instructional	546,669	546,669	542,096	4,573
Student & staff support	2,586,616	2,586,616	2,557,774	28,842
System administration	578,287	578,287	579,676	(1,389)
School administration	1,527,689	1,527,689	1,486,956	40,733
Transportation	1,342,582	1,342,582	1,353,166	(10,584)
Facilities	3,454,295	3,454,295	3,404,277	50,018
Debt service:				
Principal	594,750	594,750	594,750	-
Interest	194,989	194,989	191,464	3,525
Change in accrued summer salaries	-	-	(200,000)	200,000
Transfers to other funds	80,000	80,000	80,000	-
Total charges to appropriations	<u>26,462,700</u>	<u>26,462,700</u>	<u>26,182,735</u>	<u>279,965</u>
Budgetary fund balance, June 30	<u>\$ 1,043,177</u>	<u>\$ 1,043,177</u>	<u>\$ 1,207,210</u>	<u>\$ 164,033</u>
Utilization of assigned fund balance	<u>\$ 710,102</u>	<u>\$ 710,102</u>	<u>\$ -</u>	<u>\$ 710,102</u>

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Project Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE 2(CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Expenditures	Variance Positive (Negative)
INSTRUCTION (Article 1)				
Instruction	\$ 10,069,760	\$ 10,069,760	\$ 10,151,248	\$ (81,488)
Contingency	31,865	31,865	-	31,865
Alternative education	302,049	302,049	316,901	(14,852)
English as a second language	51,021	51,021	52,208	(1,187)
Totals	<u>10,454,695</u>	<u>10,454,695</u>	<u>10,520,357</u>	<u>(65,662)</u>
SPECIAL EDUCATION (Article 2)				
Resource room	1,408,423	1,408,423	1,455,231	(46,808)
Life skills	566,943	566,943	493,978	72,965
Day treatment	590,349	590,349	757,052	(166,703)
Extended year program	14,416	14,416	21,865	(7,449)
Evaluator	176,539	176,539	177,262	(723)
Speech services	327,006	327,006	344,295	(17,289)
Other services	118,582	118,582	123,243	(4,661)
Hospital/homebound	10,085	10,085	7,822	2,263
Gifted and talented	78,136	78,136	76,217	1,919
Administration	879,645	879,645	683,250	196,395
Totals	<u>4,170,124</u>	<u>4,170,124</u>	<u>4,140,215</u>	<u>29,909</u>
CAREER AND TECHNICAL (Article 3)				
Career & technical education	932,004	932,004	932,004	-
Totals	<u>932,004</u>	<u>932,004</u>	<u>932,004</u>	<u>-</u>
OTHER INSTRUCTIONAL (Article 4)				
Student activities	81,021	81,021	75,701	5,320
Athletics	465,648	465,648	466,395	(747)
Totals	<u>546,669</u>	<u>546,669</u>	<u>542,096</u>	<u>4,573</u>

SCHEDULE 2(CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Expenditures	Variance Positive (Negative)
STUDENT AND STAFF SUPPORT (Article 5)				
Guidance	\$ 659,327	\$ 659,327	\$ 688,172	\$ (28,845)
Student 504 services	35,658	35,658	31,376	4,282
Instructional staff training	95,623	95,623	60,904	34,719
Library	359,502	359,502	389,037	(29,535)
Instructional technology	421,156	421,156	406,035	15,121
Technology administration	488,994	488,994	481,351	7,643
Health services	285,379	285,379	292,091	(6,712)
Improvement of instruction	207,207	207,207	178,283	28,924
Student assessment	33,770	33,770	30,525	3,245
Totals	<u>2,586,616</u>	<u>2,586,616</u>	<u>2,557,774</u>	<u>28,842</u>
SYSTEM ADMINISTRATION (Article 6)				
School board	67,807	67,807	73,721	(5,914)
Office of the superintendent	213,081	213,081	204,385	8,696
Business office	297,399	297,399	301,570	(4,171)
Totals	<u>578,287</u>	<u>578,287</u>	<u>579,676</u>	<u>(1,389)</u>
SCHOOL ADMINISTRATION (Article 7)				
School administration	1,527,689	1,527,689	1,486,956	40,733
Totals	<u>1,527,689</u>	<u>1,527,689</u>	<u>1,486,956</u>	<u>40,733</u>
TRANSPORTATION (Article 8)				
Totals	<u>1,342,582</u>	<u>1,342,582</u>	<u>1,353,166</u>	<u>(10,584)</u>
FACILITIES (Article 9)				
Operations & maintenance - schools	1,602,307	1,602,307	1,594,292	8,015
Custodial services	1,119,318	1,119,318	1,086,169	33,149
Contingency	74,885	74,885	-	74,885
District maintenance	657,785	657,785	723,816	(66,031)
Totals	<u>3,454,295</u>	<u>3,454,295</u>	<u>3,404,277</u>	<u>50,018</u>

SCHEDULE 2(CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Expenditures	Variance Positive (Negative)
DEBT SERVICE				
Principal	594,750	594,750	594,750	-
Interest	194,989	194,989	191,464	3,525
Totals	<u>789,739</u>	<u>789,739</u>	<u>786,214</u>	<u>3,525</u>
CHANGE IN ACCRUED SUMMER SALARIES	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>200,000</u>
TRANSFERS TO OTHER FUNDS				
Food service transfer	80,000	80,000	80,000	-
Totals	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>\$ 26,462,700</u>	 <u>\$ 26,462,700</u>	 <u>\$ 26,182,735</u>	 <u>\$ 279,965</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 376,763	\$ 376,763
Investments	-	-	1,801,404	1,801,404
Accounts receivable (net of allowance for uncollectibles)	33,037	-	-	33,037
Due from other governments	173,213	-	-	173,213
Inventory	11,419	-	-	11,419
Accrued interest	-	-	1,165	1,165
Due from other funds	354,416	435,661	-	790,077
TOTAL ASSETS	<u>\$ 572,085</u>	<u>\$ 435,661</u>	<u>\$ 2,179,332</u>	<u>\$ 3,187,078</u>
LIABILITIES				
Accounts payable	\$ 7,646	\$ -	\$ -	\$ 7,646
Due to other funds	761,896	-	-	761,896
TOTAL LIABILITIES	<u>769,542</u>	<u>-</u>	<u>-</u>	<u>769,542</u>
FUND BALANCES				
Nonspendable	11,419	-	-	11,419
Restricted	104,869	435,661	2,179,332	2,719,862
Committed	210,024	-	-	210,024
Assigned	49,404	-	-	49,404
Unassigned	(573,173)	-	-	(573,173)
TOTAL FUND BALANCES	<u>(197,457)</u>	<u>435,661</u>	<u>2,179,332</u>	<u>2,417,536</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 572,085</u>	<u>\$ 435,661</u>	<u>\$ 2,179,332</u>	<u>\$ 3,187,078</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 2,286,407	\$ -	\$ -	\$ 2,286,407
Other	424,544	-	67,711	492,255
TOTAL REVENUES	<u>2,710,951</u>	<u>-</u>	<u>67,711</u>	<u>2,778,662</u>
EXPENDITURES				
Program expenses	3,102,627	30,000	68,321	3,200,948
TOTAL EXPENDITURES	<u>3,102,627</u>	<u>30,000</u>	<u>68,321</u>	<u>3,200,948</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(391,676)</u>	<u>(30,000)</u>	<u>(610)</u>	<u>(422,286)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	500,000	-	500,000
Operating transfer in	80,000	-	-	80,000
Operating transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>80,000</u>	<u>500,000</u>	<u>-</u>	<u>580,000</u>
NET CHANGE IN FUND BALANCES	(311,676)	470,000	(610)	157,714
FUND BALANCES - JULY 1, RESTATED	<u>114,219</u>	<u>(34,339)</u>	<u>2,179,942</u>	<u>2,259,822</u>
FUND BALANCES - JUNE 30	<u>\$ (197,457)</u>	<u>\$ 435,661</u>	<u>\$ 2,179,332</u>	<u>\$ 2,417,536</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds Description

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Nellie Mae</u>	<u>Vanguard Group Annuity</u>	<u>Mid-Coast Reading Recovery</u>	<u>Donations Equipment</u>	<u>Maine State Prison Tech Grant</u>	<u>Before School Supervision</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	1,197	-	-	986	-	1,929
TOTAL ASSETS	<u>\$ 1,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 986</u>	<u>\$ -</u>	<u>\$ 1,929</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	719	265	-	225	-
TOTAL LIABILITIES	<u>-</u>	<u>719</u>	<u>265</u>	<u>-</u>	<u>225</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	1,197	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	986	-	1,929
Unassigned	-	(719)	(265)	-	(225)	-
TOTAL FUND BALANCES	<u>1,197</u>	<u>(719)</u>	<u>(265)</u>	<u>986</u>	<u>(225)</u>	<u>1,929</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 986</u>	<u>\$ -</u>	<u>\$ 1,929</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Laptop Damage	Dunkin Donuts Grant	Gref-Video Quick Grant	Gref-CCS Greenhouse	Insurance Settlement	TGS After School Program	College Transitions Book Sale
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	41,522	-	4,887	3,190	4,817	1,785	-
TOTAL ASSETS	<u>\$ 41,522</u>	<u>\$ -</u>	<u>\$ 4,887</u>	<u>\$ 3,190</u>	<u>\$ 4,817</u>	<u>\$ 1,785</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 173	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	1,649	-	-	-	-	252
TOTAL LIABILITIES	<u>-</u>	<u>1,649</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	3,190	-	-	-
Committed	-	-	4,714	-	-	1,785	-
Assigned	41,522	-	-	-	4,817	-	-
Unassigned	-	(1,649)	-	-	-	-	(252)
TOTAL FUND BALANCES	<u>41,522</u>	<u>(1,649)</u>	<u>4,714</u>	<u>3,190</u>	<u>4,817</u>	<u>1,785</u>	<u>(252)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,522</u>	<u>\$ -</u>	<u>\$ 4,887</u>	<u>\$ 3,190</u>	<u>\$ 4,817</u>	<u>\$ 1,785</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

	<u>MEFLI</u>	<u>Anomino</u>	<u>Gref-Rolling on the River Grant</u>	<u>Maine Recycles Week Donations</u>	<u>Common Good Venture Grant</u>	<u>DHHS After School Program</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	7,210	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	-	264	776	150	25,416	716
TOTAL ASSETS	<u>\$ 7,210</u>	<u>\$ 264</u>	<u>\$ 776</u>	<u>\$ 150</u>	<u>\$ 25,416</u>	<u>\$ 716</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,250	-	-	-	-	-
TOTAL LIABILITIES	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	5,960	264	776	-	25,416	716
Committed	-	-	-	-	-	-
Assigned	-	-	-	150	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>5,960</u>	<u>264</u>	<u>776</u>	<u>150</u>	<u>25,416</u>	<u>716</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,210</u>	<u>\$ 264</u>	<u>\$ 776</u>	<u>\$ 150</u>	<u>\$ 25,416</u>	<u>\$ 716</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Tobacco Free Grant	DOE Tyler Tech Support Grant	College Transitions	Dental Health	Lonza Grant	Title IA Disadvantage
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	68,519
Inventory	-	-	-	-	-	-
Due from other funds	5,946	1,474	455	-	1,488	-
TOTAL ASSETS	\$ 5,946	\$ 1,474	\$ 455	\$ -	\$ 1,488	\$ 68,519
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	98	-	102,800
TOTAL LIABILITIES	-	-	-	98	-	102,800
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	5,946	1,474	455	-	1,488	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(98)	-	(34,281)
TOTAL FUND BALANCES	5,946	1,474	455	(98)	1,488	(34,281)
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,946	\$ 1,474	\$ 455	\$ -	\$ 1,488	\$ 68,519

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Title IA Program Improvement</u>	<u>Local Entitlement</u>	<u>Local Entitlement Pre School</u>	<u>21st Century Grant</u>	<u>Travel Program Adult Ed</u>	<u>Title VI Rural Low Income</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other governments	-	80,919	3,671	-	-	3,279
Inventory	-	-	-	-	-	-
Due from other funds	-	-	3,897	-	16,383	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 80,919</u>	<u>\$ 7,568</u>	<u>\$ -</u>	<u>\$ 16,383</u>	<u>\$ 3,279</u>
LIABILITIES						
Accounts payable	\$ 168	\$ 5,474	\$ -	\$ -	\$ -	\$ -
Due to other funds	93,068	138,334	-	776	-	22,072
TOTAL LIABILITIES	<u>93,236</u>	<u>143,808</u>	<u>-</u>	<u>776</u>	<u>-</u>	<u>22,072</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	7,568	-	16,383	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	(93,236)	(62,889)	-	(776)	-	(18,793)
TOTAL FUND BALANCES	<u>(93,236)</u>	<u>(62,889)</u>	<u>7,568</u>	<u>(776)</u>	<u>16,383</u>	<u>(18,793)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 80,919</u>	<u>\$ 7,568</u>	<u>\$ -</u>	<u>\$ 16,383</u>	<u>\$ 3,279</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Title IIA</u>	<u>College Transitions Registrations</u>	<u>Community Corrections</u>	<u>Target Field Trip Grant</u>	<u>Food Service</u>	<u>Les Richards Scholarship</u>	<u>AEFLA</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	25,059	-	-
Due from other governments	14,212	-	-	-	-	-	2,613
Inventory	-	-	-	-	11,419	-	-
Due from other funds	-	31,563	1,250	800	-	-	-
TOTAL ASSETS	<u>\$ 14,212</u>	<u>\$ 31,563</u>	<u>\$ 1,250</u>	<u>\$ 800</u>	<u>\$ 36,478</u>	<u>\$ -</u>	<u>\$ 2,613</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,831	\$ -	\$ -
Due to other funds	21,034	-	-	-	353,794	729	2,190
TOTAL LIABILITIES	<u>21,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355,625</u>	<u>729</u>	<u>2,190</u>
FUND BALANCES							
Nonspendable	-	-	-	-	11,419	-	-
Restricted	-	31,563	1,250	800	-	-	423
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(6,822)	-	-	-	(330,566)	(729)	-
TOTAL FUND BALANCES	<u>(6,822)</u>	<u>31,563</u>	<u>1,250</u>	<u>800</u>	<u>(319,147)</u>	<u>(729)</u>	<u>423</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,212</u>	<u>\$ 31,563</u>	<u>\$ 1,250</u>	<u>\$ 800</u>	<u>\$ 36,478</u>	<u>\$ -</u>	<u>\$ 2,613</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Education Jobs Fund	Adult Education	Lora Libby After School Program	Taylor/ Knight Foundation	Fuel Stabilization Fund	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	768	-	-	-	33,037
Due from other governments	-	-	-	-	-	173,213
Inventory	-	-	-	-	-	11,419
Due from other funds	-	-	3,155	370	200,000	354,416
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 768</u>	<u>\$ 3,155</u>	<u>\$ 370</u>	<u>\$ 200,000</u>	<u>\$ 572,085</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,646
Due to other funds	16,902	5,739	-	-	-	761,896
TOTAL LIABILITIES	<u>16,902</u>	<u>5,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>769,542</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	11,419
Restricted	-	-	-	-	-	104,869
Committed	-	-	3,155	370	200,000	210,024
Assigned	-	-	-	-	-	49,404
Unassigned	(16,902)	(4,971)	-	-	-	(573,173)
TOTAL FUND BALANCES	<u>(16,902)</u>	<u>(4,971)</u>	<u>3,155</u>	<u>370</u>	<u>200,000</u>	<u>(197,457)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 768</u>	<u>\$ 3,155</u>	<u>\$ 370</u>	<u>\$ 200,000</u>	<u>\$ 572,085</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Nellie Mae	Vanguard Group Annuity	Mid-Coast Reading Recovery	Donations Equipment	Maine State Prison Tech Grant	Before School Supervision
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	2,000	-	-	250	-	5,057
TOTAL REVENUES	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>5,057</u>
EXPENDITURES						
Program expenses	803	719	265	220	-	3,868
TOTAL EXPENDITURES	<u>803</u>	<u>719</u>	<u>265</u>	<u>220</u>	<u>-</u>	<u>3,868</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,197</u>	<u>(719)</u>	<u>(265)</u>	<u>30</u>	<u>-</u>	<u>1,189</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,197	(719)	(265)	30	-	1,189
FUND BALANCES, JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>956</u>	<u>(225)</u>	<u>740</u>
FUND BALANCES, JUNE 30	<u>\$ 1,197</u>	<u>\$ (719)</u>	<u>\$ (265)</u>	<u>\$ 986</u>	<u>\$ (225)</u>	<u>\$ 1,929</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Laptop Damage</u>	<u>Dunkin Donuts Grant</u>	<u>Gref-Video Quick Grant</u>	<u>Gref-CCS Greenhouse</u>	<u>Insurance Settlement</u>	<u>TGS After School Program</u>	<u>College Transitions Book Sale</u>
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	66,092	9,940	7,000	9,052	494	3,500	-
TOTAL REVENUES	<u>66,092</u>	<u>9,940</u>	<u>7,000</u>	<u>9,052</u>	<u>494</u>	<u>3,500</u>	<u>-</u>
EXPENDITURES							
Program expenses	42,844	11,632	2,257	7,424	-	2,347	-
TOTAL EXPENDITURES	<u>42,844</u>	<u>11,632</u>	<u>2,257</u>	<u>7,424</u>	<u>-</u>	<u>2,347</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>23,248</u>	<u>(1,692)</u>	<u>4,743</u>	<u>1,628</u>	<u>494</u>	<u>1,153</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	23,248	(1,692)	4,743	1,628	494	1,153	-
FUND BALANCES, JULY 1	<u>18,274</u>	<u>43</u>	<u>(29)</u>	<u>1,562</u>	<u>4,323</u>	<u>632</u>	<u>(252)</u>
FUND BALANCES, JUNE 30	<u>\$ 41,522</u>	<u>\$ (1,649)</u>	<u>\$ 4,714</u>	<u>\$ 3,190</u>	<u>\$ 4,817</u>	<u>\$ 1,785</u>	<u>\$ (252)</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>MEFLI</u>	<u>Anomino</u>	<u>Gref-Rolling on the River Grant</u>	<u>Maine Recycles Week Donations</u>	<u>Common Good Venture Grant</u>	<u>DHHS After School Program</u>
REVENUES						
Intergovernmental revenue	\$ 30,960	\$ 32,899	\$ -	\$ -	\$ 58,017	\$ 317
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>30,960</u>	<u>32,899</u>	<u>-</u>	<u>-</u>	<u>58,017</u>	<u>317</u>
EXPENDITURES						
Program expenses	<u>25,000</u>	<u>39,249</u>	<u>-</u>	<u>-</u>	<u>41,428</u>	<u>18,154</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>39,249</u>	<u>-</u>	<u>-</u>	<u>41,428</u>	<u>18,154</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,960</u>	<u>(6,350)</u>	<u>-</u>	<u>-</u>	<u>16,589</u>	<u>(17,837)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,960	(6,350)	-	-	16,589	(17,837)
FUND BALANCES, JULY 1	<u>-</u>	<u>6,614</u>	<u>776</u>	<u>150</u>	<u>8,827</u>	<u>18,553</u>
FUND BALANCES, JUNE 30	<u>\$ 5,960</u>	<u>\$ 264</u>	<u>\$ 776</u>	<u>\$ 150</u>	<u>\$ 25,416</u>	<u>\$ 716</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Tobacco Free Grant</u>	<u>DOE Tyler Tech Support Grant</u>	<u>College Transitions</u>	<u>Dental Health</u>	<u>Gref-World Language West Side</u>	<u>Lonza Grant</u>	<u>Title IA Disadvantaged</u>
REVENUES							
Intergovernmental revenue	\$ 11,083	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 812,611
Other	-	-	-	-	150	3,341	-
TOTAL REVENUES	<u>11,083</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>150</u>	<u>3,341</u>	<u>812,611</u>
EXPENDITURES							
Program expenses	<u>1,598</u>	<u>-</u>	<u>30,000</u>	<u>300</u>	<u>400</u>	<u>3,249</u>	<u>846,892</u>
TOTAL EXPENDITURES	<u>1,598</u>	<u>-</u>	<u>30,000</u>	<u>300</u>	<u>400</u>	<u>3,249</u>	<u>846,892</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,485</u>	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>(250)</u>	<u>92</u>	<u>(34,281)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	9,485	-	-	(300)	(250)	92	(34,281)
FUND BALANCES, JULY 1	<u>(3,539)</u>	<u>1,474</u>	<u>455</u>	<u>202</u>	<u>250</u>	<u>1,396</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 5,946</u>	<u>\$ 1,474</u>	<u>\$ 455</u>	<u>\$ (98)</u>	<u>\$ -</u>	<u>\$ 1,488</u>	<u>\$ (34,281)</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Title IA Program Improvement</u>	<u>Local Entitlement</u>	<u>Local Entitlement Pre School</u>	<u>21st Century Grant</u>	<u>Travel Program Adult Ed</u>	<u>Title VI Rural Low Income</u>
REVENUES						
Intergovernmental revenue	\$ -	\$ 385,891	\$ 20,078	\$ 22,774	\$ -	\$ 28,775
Other	-	-	-	-	25,431	-
TOTAL REVENUES	<u>-</u>	<u>385,891</u>	<u>20,078</u>	<u>22,774</u>	<u>25,431</u>	<u>28,775</u>
EXPENDITURES						
Program expenses	<u>93,236</u>	<u>400,178</u>	<u>9,047</u>	<u>23,347</u>	<u>28,433</u>	<u>45,879</u>
TOTAL EXPENDITURES	<u>93,236</u>	<u>400,178</u>	<u>9,047</u>	<u>23,347</u>	<u>28,433</u>	<u>45,879</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(93,236)</u>	<u>(14,287)</u>	<u>11,031</u>	<u>(573)</u>	<u>(3,002)</u>	<u>(17,104)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(93,236)</u>	<u>(14,287)</u>	<u>11,031</u>	<u>(573)</u>	<u>(3,002)</u>	<u>(17,104)</u>
FUND BALANCES, JULY 1	<u>-</u>	<u>(48,602)</u>	<u>(3,463)</u>	<u>(203)</u>	<u>19,385</u>	<u>(1,689)</u>
FUND BALANCES, JUNE 30	<u>\$ (93,236)</u>	<u>\$ (62,889)</u>	<u>\$ 7,568</u>	<u>\$ (776)</u>	<u>\$ 16,383</u>	<u>\$ (18,793)</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Title IIA</u>	<u>College Transitions Registrations</u>	<u>Community Corrections</u>	<u>Target Field Trip Grant</u>	<u>Food Service</u>	<u>Les Richards Scholarship</u>	<u>AEFLA</u>
REVENUES							
Intergovernmental revenue	\$ 109,769	\$ 6,927	\$ 6,000	\$ -	\$ 545,639	\$ -	\$ 55,707
Other	-	-	-	-	259,283	471	-
TOTAL REVENUES	<u>109,769</u>	<u>6,927</u>	<u>6,000</u>	<u>-</u>	<u>804,922</u>	<u>471</u>	<u>55,707</u>
EXPENDITURES							
Program expenses	<u>112,494</u>	<u>780</u>	<u>5,000</u>	<u>-</u>	<u>1,038,417</u>	<u>2,075</u>	<u>91,447</u>
TOTAL EXPENDITURES	<u>112,494</u>	<u>780</u>	<u>5,000</u>	<u>-</u>	<u>1,038,417</u>	<u>2,075</u>	<u>91,447</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,725)</u>	<u>6,147</u>	<u>1,000</u>	<u>-</u>	<u>(233,495)</u>	<u>(1,604)</u>	<u>(35,740)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	80,000	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,725)</u>	<u>6,147</u>	<u>1,000</u>	<u>-</u>	<u>(153,495)</u>	<u>(1,604)</u>	<u>(35,740)</u>
FUND BALANCES, JULY 1	<u>(4,097)</u>	<u>25,416</u>	<u>250</u>	<u>800</u>	<u>(165,652)</u>	<u>875</u>	<u>36,163</u>
FUND BALANCES, JUNE 30	<u>\$ (6,822)</u>	<u>\$ 31,563</u>	<u>\$ 1,250</u>	<u>\$ 800</u>	<u>\$ (319,147)</u>	<u>\$ (729)</u>	<u>\$ 423</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Education Jobs Fund	Adult Education	Lora Libby After School Program	Taylor/ Knight Foundation	Fuel Stabilization Fund	Totals
REVENUES						
Intergovernmental revenue	\$ -	\$ 128,960	\$ -	\$ -	\$ -	\$ 2,286,407
Other	-	-	29,713	2,770	-	424,544
TOTAL REVENUES	-	128,960	29,713	2,770	-	2,710,951
EXPENDITURES						
Program expenses	503	146,835	24,157	2,150	-	3,102,627
TOTAL EXPENDITURES	503	146,835	24,157	2,150	-	3,102,627
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(503)	(17,875)	5,556	620	-	(391,676)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	80,000
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	80,000
NET CHANGE IN FUND BALANCES	(503)	(17,875)	5,556	620	-	(311,676)
FUND BALANCES, JULY 1	(16,399)	12,904	(2,401)	(250)	200,000	114,219
FUND BALANCES, JUNE 30	\$ (16,902)	\$ (4,971)	\$ 3,155	\$ 370	\$ 200,000	\$ (197,457)

See accompanying independent auditors' report and notes to financial statements.

Capital Project Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2013

	Capital Projects Fund	Totals
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Due from other funds	435,661	435,661
TOTAL ASSETS	<u>\$ 435,661</u>	<u>\$ 435,661</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	435,661	435,661
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>435,661</u>	<u>435,661</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 435,661</u>	<u>\$ 435,661</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Capital Projects Fund	Totals
	<u> </u>	<u> </u>
REVENUE		
Interest income	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>
EXPENDITURES	<u>30,000</u>	<u>30,000</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(30,000)</u>	<u>(30,000)</u>
OTHER FINANCING SOURCES (USES)		
Bond proceeds	500,000	500,000
Operating transfers in	-	-
Operating transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>500,000</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCES	470,000	470,000
FUND BALANCES - JULY 1	<u>(34,339)</u>	<u>(34,339)</u>
FUND BALANCES - JUNE 30	<u>\$ 435,661</u>	<u>\$ 435,661</u>

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by Regional School Unit No. 13 that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Unit or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of scholarships.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2013

	<u>Nicholas Stevens Trust</u>	<u>Vincent Ciaravino Trust</u>	<u>Richard Warren Trust</u>	<u>Doris MacDougal Trust</u>	<u>Hermia Toothaker Trust</u>	<u>Blaisdell/ Cuccinello Scholarship</u>	<u>Dorothy Smalley Scholarship</u>
ASSETS							
Cash and cash equivalents	\$ 4,311	\$ 1,233	\$ 343	\$ 875	\$ 11,077	\$ 1,303	\$ 93,090
Investments	21,718	6,551	1,825	4,645	58,833	6,921	482,345
Accrued interest	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 26,029</u>	<u>\$ 7,784</u>	<u>\$ 2,168</u>	<u>\$ 5,520</u>	<u>\$ 69,910</u>	<u>\$ 8,224</u>	<u>\$ 575,435</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	26,029	7,784	2,168	5,520	69,910	8,224	575,435
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>26,029</u>	<u>7,784</u>	<u>2,168</u>	<u>5,520</u>	<u>69,910</u>	<u>8,224</u>	<u>575,435</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,029</u>	<u>\$ 7,784</u>	<u>\$ 2,168</u>	<u>\$ 5,520</u>	<u>\$ 69,910</u>	<u>\$ 8,224</u>	<u>\$ 575,435</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2013

	<u>Worthington Scholarship</u>	<u>Alumni Scholarship</u>	<u>Pricilla Noddin Trust</u>	<u>Isidor Gordon Trust</u>	<u>Bontuit Scholarship</u>	<u>Miriam Pierce Scholarship</u>	<u>Ione Estes Scholarship</u>
ASSETS							
Cash and cash equivalents	\$ 163	\$ 2,085	\$ 154,598	\$ 2,074	\$ 2,799	\$ 3,937	\$ 3,921
Investments	867	11,072	113,697	43,493	14,865	20,909	20,827
Accrued interest	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,030</u>	<u>\$ 13,157</u>	<u>\$ 268,295</u>	<u>\$ 45,567</u>	<u>\$ 17,664</u>	<u>\$ 24,846</u>	<u>\$ 24,748</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,030	13,157	268,295	45,567	17,664	24,846	24,748
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,030</u>	<u>13,157</u>	<u>268,295</u>	<u>45,567</u>	<u>17,664</u>	<u>24,846</u>	<u>24,748</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,030</u>	<u>\$ 13,157</u>	<u>\$ 268,295</u>	<u>\$ 45,567</u>	<u>\$ 17,664</u>	<u>\$ 24,846</u>	<u>\$ 24,748</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2013

	<u>Frederick & Claudette V Scholarship</u>	<u>Seekins Scholarship</u>	<u>Hunter Scholarship</u>	<u>Goss Ruggles Scholarship</u>	<u>Harjula Scholarship</u>	<u>Moran Scholarship</u>	<u>Gutoske Scholarship</u>
ASSETS							
Cash and cash equivalents	\$ 859	\$ 5,762	\$ 2,030	\$ 21,130	\$ 290	\$ 271	\$ 60
Investments	4,562	230,030	81,153	500,546	13,565	10,811	2,406
Accrued interest	-	210	44	860	12	5	1
TOTAL ASSETS	<u>\$ 5,421</u>	<u>\$ 236,002</u>	<u>\$ 83,227</u>	<u>\$ 522,536</u>	<u>\$ 13,867</u>	<u>\$ 11,087</u>	<u>\$ 2,467</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	5,421	236,002	83,227	522,536	13,867	11,087	2,467
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>5,421</u>	<u>236,002</u>	<u>83,227</u>	<u>522,536</u>	<u>13,867</u>	<u>11,087</u>	<u>2,467</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,421</u>	<u>\$ 236,002</u>	<u>\$ 83,227</u>	<u>\$ 522,536</u>	<u>\$ 13,867</u>	<u>\$ 11,087</u>	<u>\$ 2,467</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2013

	<u>Brasier Scholarship</u>	<u>Magrogan Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
ASSETS							
Cash and cash equivalents	\$ 148	\$ 159	\$ 61	\$ 424	\$ 698	\$ 134	\$ 173
Investments	5,941	6,331	2,435	16,972	27,149	3,494	-
Accrued interest	3	3	1	9	15	2	-
TOTAL ASSETS	<u>\$ 6,092</u>	<u>\$ 6,493</u>	<u>\$ 2,497</u>	<u>\$ 17,405</u>	<u>\$ 27,862</u>	<u>\$ 3,630</u>	<u>\$ 173</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,092	6,493	2,497	17,405	27,862	3,630	173
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>6,092</u>	<u>6,493</u>	<u>2,497</u>	<u>17,405</u>	<u>27,862</u>	<u>3,630</u>	<u>173</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,092</u>	<u>\$ 6,493</u>	<u>\$ 2,497</u>	<u>\$ 17,405</u>	<u>\$ 27,862</u>	<u>\$ 3,630</u>	<u>\$ 173</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2013

	<u>Class of 2004</u>	<u>Class of 2005</u>	<u>Mildred Merrill Trust</u>	<u>Class of 2007</u>	<u>Raymond Willis Dow Trust</u>	<u>William Holden Trust</u>	<u>Lindsey Memorial Scholarship</u>
ASSETS							
Cash and cash equivalents	\$ 91	\$ 91	\$ 2,104	\$ 137	\$ 2,444	\$ 210	\$ 1,064
Investments	484	488	11,175	730	12,979	1,117	9,000
Accrued interest	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 575</u>	<u>\$ 579</u>	<u>\$ 13,279</u>	<u>\$ 867</u>	<u>\$ 15,423</u>	<u>\$ 1,327</u>	<u>\$ 10,064</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	575	579	13,279	867	15,423	1,327	10,064
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>575</u>	<u>579</u>	<u>13,279</u>	<u>867</u>	<u>15,423</u>	<u>1,327</u>	<u>10,064</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 575</u>	<u>\$ 579</u>	<u>\$ 13,279</u>	<u>\$ 867</u>	<u>\$ 15,423</u>	<u>\$ 1,327</u>	<u>\$ 10,064</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2013

	WM Stinson Jr. Memorial	Ciaravino School Fund	Class of 2006	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Totals
ASSETS						
Cash and cash equivalents	\$ 11,883	\$ 27,865	\$ 73	\$ -	\$ 16,793	\$ 376,763
Investments	13,530	-	-	37,938	-	1,801,404
Accrued interest	-	-	-	-	-	1,165
TOTAL ASSETS	<u>\$ 25,413</u>	<u>\$ 27,865</u>	<u>\$ 73</u>	<u>\$ 37,938</u>	<u>\$ 16,793</u>	<u>\$ 2,179,332</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	25,413	27,865	73	37,938	16,793	2,179,332
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>25,413</u>	<u>27,865</u>	<u>73</u>	<u>37,938</u>	<u>16,793</u>	<u>2,179,332</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,413</u>	<u>\$ 27,865</u>	<u>\$ 73</u>	<u>\$ 37,938</u>	<u>\$ 16,793</u>	<u>\$ 2,179,332</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Nicholas Stevens Trust	Vincent Ciaravino Trust	Richard Warren Trust	Doris MacDougal Trust	Hermia Toothaker Trust	Blaisdell/ Cuccinello Scholarship	Dorothy Smalley Scholarship
REVENUES							
Investment income	\$ 100	\$ 245	\$ 62	\$ 189	\$ 2,214	\$ 232	\$ 15,653
Net gain (loss) on investments	-	(105)	(29)	(72)	(945)	(109)	(10,031)
Contributions	-	-	253	-	-	1,100	-
TOTAL REVENUES	<u>100</u>	<u>140</u>	<u>286</u>	<u>117</u>	<u>1,269</u>	<u>1,223</u>	<u>5,622</u>
EXPENDITURES	<u>4,000</u>	<u>60</u>	<u>16</u>	<u>1,042</u>	<u>1,036</u>	<u>58</u>	<u>24,970</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(3,900)</u>	<u>80</u>	<u>270</u>	<u>(925)</u>	<u>233</u>	<u>1,165</u>	<u>(19,348)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,900)	80	270	(925)	233	1,165	(19,348)
FUND BALANCES - JULY 1 (RESTATED)	<u>29,929</u>	<u>7,704</u>	<u>1,898</u>	<u>6,445</u>	<u>69,677</u>	<u>7,059</u>	<u>594,783</u>
FUND BALANCES - JUNE 30	<u>\$ 26,029</u>	<u>\$ 7,784</u>	<u>\$ 2,168</u>	<u>\$ 5,520</u>	<u>\$ 69,910</u>	<u>\$ 8,224</u>	<u>\$ 575,435</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Worthington Scholarship	Alumni Scholarship	Pricilla Noddin Trust	Isidor Gordon Trust	Bontuit Scholarship	Miriam Pierce Scholarship	Ione Estes Scholarship
REVENUES							
Investment income	\$ 32	\$ 415	\$ 8,850	\$ 597	\$ 557	\$ 783	\$ 815
Net gain (loss) on investments	(14)	(178)	(1,827)	(176)	(239)	(336)	(334)
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	18	237	7,023	421	318	447	481
EXPENDITURES							
	8	100	1,032	2,108	135	190	1,695
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	10	137	5,991	(1,687)	183	257	(1,214)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	10	137	5,991	(1,687)	183	257	(1,214)
FUND BALANCES - JULY 1 (RESTATED)	1,020	13,020	262,304	47,254	17,481	24,589	25,962
FUND BALANCES - JUNE 30	<u>\$ 1,030</u>	<u>\$ 13,157</u>	<u>\$ 268,295</u>	<u>\$ 45,567</u>	<u>\$ 17,664</u>	<u>\$ 24,846</u>	<u>\$ 24,748</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Frederick & Claudette V Scholarship</u>	<u>Seekins Scholarship</u>	<u>Hunter Scholarship</u>	<u>Goss Ruggles Scholarship</u>	<u>Harjula Scholarship</u>	<u>Moran Scholarship</u>	<u>Gutoske Scholarship</u>
REVENUES							
Investment income	\$ 139	\$ 8,231	\$ 2,549	\$ 16,428	\$ 476	\$ 339	\$ 73
Net gain (loss) on investments	(75)	(12,443)	2,179	23,153	(434)	228	158
Contributions	2,000	-	-	-	-	-	-
TOTAL REVENUES	<u>2,064</u>	<u>(4,212)</u>	<u>4,728</u>	<u>39,581</u>	<u>42</u>	<u>567</u>	<u>231</u>
EXPENDITURES	<u>537</u>	<u>8,245</u>	<u>2,551</u>	<u>16,467</u>	<u>477</u>	<u>339</u>	<u>73</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>1,527</u>	<u>(12,457)</u>	<u>2,177</u>	<u>23,114</u>	<u>(435)</u>	<u>228</u>	<u>158</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,527	(12,457)	2,177	23,114	(435)	228	158
FUND BALANCES - JULY 1 (RESTATED)	<u>3,894</u>	<u>248,459</u>	<u>81,050</u>	<u>499,422</u>	<u>14,302</u>	<u>10,859</u>	<u>2,309</u>
FUND BALANCES - JUNE 30	<u>\$ 5,421</u>	<u>\$ 236,002</u>	<u>\$ 83,227</u>	<u>\$ 522,536</u>	<u>\$ 13,867</u>	<u>\$ 11,087</u>	<u>\$ 2,467</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Brasier Scholarship</u>	<u>Magrogan Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
REVENUES							
Investment income	\$ 184	\$ 190	\$ 75	\$ 537	\$ 836	\$ 107	\$ 1
Net gain (loss) on investments	160	420	167	138	1,261	229	(1)
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	<u>344</u>	<u>610</u>	<u>242</u>	<u>675</u>	<u>2,097</u>	<u>336</u>	<u>-</u>
EXPENDITURES	<u>185</u>	<u>191</u>	<u>75</u>	<u>538</u>	<u>836</u>	<u>107</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>159</u>	<u>419</u>	<u>167</u>	<u>137</u>	<u>1,261</u>	<u>229</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	159	419	167	137	1,261	229	-
FUND BALANCES - JULY 1 (RESTATED)	<u>5,933</u>	<u>6,074</u>	<u>2,330</u>	<u>17,268</u>	<u>26,601</u>	<u>3,401</u>	<u>173</u>
FUND BALANCES - JUNE 30	<u>\$ 6,092</u>	<u>\$ 6,493</u>	<u>\$ 2,497</u>	<u>\$ 17,405</u>	<u>\$ 27,862</u>	<u>\$ 3,630</u>	<u>\$ 173</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Class of 2004</u>	<u>Class of 2005</u>	<u>Mildred Merrill Trust</u>	<u>Class of 2007</u>	<u>Raymond Willis Dow Trust</u>	<u>William Holden Trust</u>	<u>Lindsey Memorial Scholarship</u>
REVENUES							
Investment income	\$ 18	\$ 18	\$ 418	\$ 27	\$ 486	\$ 70	\$ 87
Net gain (loss) on investments	(8)	(8)	(179)	(12)	(208)	(18)	-
Contributions	-	-	-	-	-	250	-
TOTAL REVENUES	<u>10</u>	<u>10</u>	<u>239</u>	<u>15</u>	<u>278</u>	<u>302</u>	<u>87</u>
EXPENDITURES	<u>4</u>	<u>4</u>	<u>101</u>	<u>6</u>	<u>118</u>	<u>1,017</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>6</u>	<u>6</u>	<u>138</u>	<u>9</u>	<u>160</u>	<u>(715)</u>	<u>87</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	6	6	138	9	160	(715)	87
FUND BALANCES - JULY 1 (RESTATED)	<u>569</u>	<u>573</u>	<u>13,141</u>	<u>858</u>	<u>15,263</u>	<u>2,042</u>	<u>9,977</u>
FUND BALANCES - JUNE 30	<u>\$ 575</u>	<u>\$ 579</u>	<u>\$ 13,279</u>	<u>\$ 867</u>	<u>\$ 15,423</u>	<u>\$ 1,327</u>	<u>\$ 10,064</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	WM Stinson Jr. Memorial	Ciaravino School Fund	Class of 2006	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Totals
REVENUES						
Investment income	\$ 791	\$ 676	\$ 1	\$ 110	\$ 320	\$ 63,931
Net gain (loss) on investments	-	-	-	-	(135)	177
Contributions	-	-	-	-	-	3,603
TOTAL REVENUES	<u>791</u>	<u>676</u>	<u>1</u>	<u>110</u>	<u>185</u>	<u>67,711</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,321</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>791</u>	<u>676</u>	<u>1</u>	<u>110</u>	<u>185</u>	<u>(610)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	791	676	1	110	185	(610)
FUND BALANCES - JULY 1 (RESTATEd)	<u>24,622</u>	<u>27,189</u>	<u>72</u>	<u>37,828</u>	<u>16,608</u>	<u>2,179,942</u>
FUND BALANCES - JUNE 30	<u>\$ 25,413</u>	<u>\$ 27,865</u>	<u>\$ 73</u>	<u>\$ 37,938</u>	<u>\$ 16,793</u>	<u>\$ 2,179,332</u>

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2013

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Regular education	\$ 251,681	\$ 12,124,330	\$ 2,531,351	\$ -	\$ 14,907,362
Maintenance & operations	56,798	10,478,883	1,176,624	-	11,712,305
Transportation	-	-	1,815,706	-	1,815,706
Administration	-	-	25,795	-	25,795
School lunch program	-	-	191,730	-	191,730
Total General Capital Assets	308,479	22,603,213	5,741,206	-	28,652,898
Less: Accumulated Depreciation	-	(8,810,333)	(3,879,443)	-	(12,689,776)
Net General Capital Assets	\$ 308,479	\$ 13,792,880	\$ 1,861,763	\$ -	\$ 15,963,122

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2013

	General Capital Assets 7/1/12	Additions	Deletions	General Capital Assets 6/30/13
Regular education	\$ 14,791,692	\$ 115,670	\$ -	\$ 14,907,362
Maintenance & operations	11,712,305	-	-	11,712,305
Transportation	1,571,692	244,014	-	1,815,706
Administration	25,795	-	-	25,795
School lunch program	191,730	-	-	191,730
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Capital Assets	28,293,214	359,684	-	28,652,898
Less: Accumulated Depreciation	<u>(11,949,714)</u>	<u>(740,062)</u>	<u>-</u>	<u>(12,689,776)</u>
Net General Capital Assets	<u>\$ 16,343,500</u>	<u>\$ (380,378)</u>	<u>\$ -</u>	<u>\$ 15,963,122</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor Pass Through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Thru Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
Passed through State of Maine - Department of Education and Cultural Services			
Food Distribution	10.550	N/A	\$ 48,723
School Breakfast Program	10.555	013-06A-7127-05	42,255
Fresh Fruit & Vegetables	10.582	013-06A-3028-05	102,761
School Lunch Program	10.555	013-06A-7128-05	<u>316,902</u>
Total Department of Agricultural			<u>510,641</u>
U.S. Department of Education			
Passed through State of Maine - Department of Education and Cultural Services:			
Adult Ed and Family Literacy	84.048	013-06A-6296-64	91,447
Title IA-Educationally Deprived	84.010	013-06A-6334-13	846,892
Title IA-Program Improvement	84.010	013-06A-3056-13	38,690
Local Entitlement	84.027	013-06A-6317-12	400,178
Local Entitlement - Part B Section 619	84.173	013-06A-6241-23	9,047
Twenty First Century	84.287	013-06A-1103-13	23,347
Rural Low Income	84.358	013-06A-1078-03	45,879
Title IIA Teacher Quality Grant	84.367	013-06A-1138-11	112,494
Education Jobs Fund	84.410	013-06A-3099-10	<u>503</u>
Total Department of Education			<u>1,568,477</u>
U.S. Department of Commerce			
Passed through State of Maine-Department of Education			
NTIA/MARTI	11.557	020-05A-3112-64	<u>5,000</u>
Passed through State of Maine - Department of Mental Health, Mental Retardation, and Substance Abuse Services:			
After School Program	93.575	N/A	<u>18,154</u>
			<u>18,154</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 2,102,272</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Regional School Unit No. 13. All federal financial assistance received is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. The following programs were tested as major programs as outlined in OMB Circular A-133.

- 1) 84.010 – Title IA Educationally Deprived
- 2) 84.027 – Local Entitlement



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Regional School Unit No. 13
Rockland, Maine

We have audited, in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 13 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Regional School Unit No. 13's basic financial statements, and have issued our report thereon dated March December 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Regional School Unit No. 13's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit No. 13's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 13's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and corrected, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional School Unit No. 13's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Regional School Unit No. 13 in a separate letter dated December 30, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
December 4, 2013



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Board of Directors
Regional School Unit No. 13
Rockland, Maine

Report on Compliance for Each Major Federal Program

We have audited Regional School Unit No. 13's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Regional School Unit No. 13's major federal programs for the year ended June 30, 2013. Regional School Unit No. 13's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Regional School Unit No. 13's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Regional School Unit No. 13's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

In our opinion, Regional School Unit No. 13 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Regional School Unit No. 13 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Regional School Unit No. 13's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit No. 13's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 13's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
December 4, 2013

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title IA Educationally Deprived
84.027	Local Entitlement

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None



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INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Board of Directors
Regional School Unit No. 13
Rockland, Maine

We have audited the financial statements of the Regional School Unit No. 13 for the year ended June 30, 2013 and have issued our report thereon dated December 4, 2013. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place, and have reviewed the annual financial report that was submitted to the Unit for accuracy. In addition we have reviewed the Unit's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Regional School Unit No. 13, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Regional School Unit No. 13 was in noncompliance with, or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Unit and have attached the following schedule as it relates to the reconciliation of audit adjustments to the initial annual financial data submitted to the MEDMS financial system maintained at the Unit.

This report is intended solely for the information of the Board of Directors, management and the Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
December 4, 2013

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REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
SUBMITTED TO THE MEDMS FINANCIAL SYSTEM
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund (1000)	Special Revenue Funds (2000)	Capital Project Funds (4000)	Totals
June 30 balance per MEDMS Financial System	\$ 13,073	\$ (380,010)	\$ 435,661	\$ (366,937)
Revenue Adjustments:				
Posted carry forward in fund balance	710,102	-	-	710,102
Other Adjustments:				
Funds not on MEDMS:				
Vanguard Group Annuity (2100)	-	(719)	-	(719)
DOE Tyler Tech Support Grant (2220)	-	1,474	-	1,474
Funds incorrect on MEDMS:				
Laptop Damage (2050)	-	1,827	-	1,827
Gref Video Quick Grant (2070)	-	(173)	-	(173)
Gref CCS Greenhouse	-	427	-	427
TGS Afterschool Program (2040)	-	719	-	719
MEFLI (2199)	-	4,710	-	4,710
Anomino (2160)	-	251	-	251
DHHS After School Program (2220)	-	399	-	399
Lonza Grant (2290)	-	100	-	100
Title IA Disadvantage (2300)	-	57,435	-	57,435
Title I Program Improvement (2310-2320)	-	10,916	-	10,916
Local Entitlement (2470)	-	76,749	-	76,749
Local Entitlement Pre School (2510)	-	3,671	-	3,671
21st Century Grant (2630)	-	1,498	-	1,498
Title VI Rural Low Income (2670)	-	3,279	-	3,279
Title IIA (2700)	-	14,212	-	14,212
Food Service (2930)	-	(128)	-	(128)
AEFLI (2950-2960)	-	3,036	-	3,036
Education Jobs Fund (2996)	-	(27,390)	-	(27,390)
Funds not classified as SR on MEDMS:				
Les Richards Scholarship (9000)	-	(729)	-	(729)
Community Corrections (0950)	-	1,250	-	1,250
Laura Libby afterschool	-	3,155	-	3,155
College Transitions (6150)	-	31,563	-	31,563
Adult Ed (1500)	-	(4,971)	-	(4,971)
Audit adjustments to clean up health Ins.	442,621	-	-	442,621
Audit adjustments to clean up accounts	41,414	(8)	-	41,406
Audited GAAP Basis Fund balance June 30	\$ 1,207,210	\$ (197,457)	\$ 435,661	\$ 1,009,753